

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7086**

**BILL NUMBER:** HB 1901

**DATE PREPARED:** Jan 10, 2001

**BILL AMENDED:**

**SUBJECT:** Mercury-added products.

**FISCAL ANALYST:** Bernadette Bartlett

**PHONE NUMBER:** 232-9586

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill restricts certain sales of mercury-added products. The bill establishes requirements for labeling, recycling, and disposal of mercury-added products. It establishes requirements for notice to the Department of Environmental Management regarding mercury-added products. This bill also specifies notice to be provided to contractors who remove mercury lamps. The bill also mandates the study of issues related to mercury-added products. It also establishes limitations on the use of elemental mercury. The bill directs the Solid Waste Management Board to adopt rules on the labeling of mercury-added products.

It reestablishes and extends the Environmental Quality Service Council (EQSC) through December 31, 2005. The bill also repeals the current EQSC enabling statute (which expires December 31, 2000).

**Effective Date:** Upon passage; July 1, 2001.

**Explanation of State Expenditures:** The proposed bill will have a fiscal impact upon the Indiana Department of Environmental Management (IDEM). IDEM will need to hire two additional environmental managers to administer the program at a cost of \$97,004 in FY 2002 and \$97,143 in FY 2003 (includes salaries, fringe benefits and indirect costs.)

The two additional staff will be needed to maintain notification information; to set-up the system; to approve notification; to work with dentists and other interested parties to develop and implement a pollution prevention plan; to implement an education program; and to participate in the establishment and implementation of a regional, multi-state clearinghouse.

Educational materials are estimated to cost approximately \$50,000-\$100,000 the first year, and \$25,000 in subsequent years. Currently, IDEM provides matching grants out of the Hazardous Substances Response Trust Fund to certain solid waste management districts to act as collection hubs for mercury. Additional

money would be needed to fund the resulting increase in mercury collection and recycling/reuse.

Any costs associated with adopting rules will be absorbed by existing resources.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. (Additional information will be provided when it becomes available.) Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**EQSC Extension.** This bill reestablishes and extends the Environmental Quality Service Council (EQSC) through December 31, 2005. It also repeals the current EQSC enabling statute (which expires December 31, 2000). Legislative Council Resolution 00-2 (Adopted May 25, 2000) provides that the budget of any study committee consisting of at least 16 members is \$18,500. Public Law 248-1996 provides that the EQSC consists of 24 members. Hence, the EQSC is allowed an annual budget of \$18,500. The budget of the EQSC is paid from the legislator travel account within the Legislative Services Agency budget. Legislative Services Agency appropriations come from the State General Fund.

For the 2000 interim and as of December 6, 2000, the Council spent \$14,300 of its total budget. Extending the life of the Council for an additional five years will result in an annual expenditure from the State General Fund of \$18,500 annually. Legislative Services Agency will provide staff for the Council, as it currently does. The Agency will incur no additional expenses.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Department of Environmental Management and Legislative Services Agency.

**Local Agencies Affected:**

**Information Sources:**